

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

GEODYNAMICS, INC.,

Plaintiff,

V.

DYNAENERGETICS US, INC.,

Defendant.



Civil Action No. 2:16-cv-697

JURY TRIAL DEMANDED

COMPLAINT FOR PATENT INFRINGEMENT

Plaintiff GEODynamics, Inc. (“GEODynamics”) by their attorneys, files this Complaint for Patent Infringement and Request for Jury Trial, complaining of DynaEnergetics US, Inc. (“DynaEnergetics”), and would respectfully show as follows:

Nature of the Action

1. Plaintiff GEODynamics has been a pioneer in the application to oil-field perforation methods (a/k/a “fracing”) with respect to use of explosives technology adapted and modified from military technology. GEODynamics has been at the forefront of the research, development, and deployment of perforation guns using shaped charges with a liner that in simplified terms creates a second explosion after the main charge is detonated that has the effect of removing debris from the cavity created in the formation thereby increasing the flow of hydrocarbons from the formation. This technology is highly valuable. GEODynamics has expended significant resources in money and engineering time to perfect its CONNEX® Reactive® Completion Technology for its shaped charges, as well as methods for perforating a

wellbore using the shaped charges, which have become the industry leader in this application. GEODynamics has received U.S. Patent No. 9,080,431, issued July 14, 2015 covering its groundbreaking inventions regarding methods of perforating a wellbore. As of June 30, 2016, GEODynamics is also the assignee with the right to sue for past damages of U.S. Patent No. 8,544,563 ('563 Patent) which was previously assigned to QinetiQ, Ltd. (a defense technology company in the United Kingdom) and which includes an employee of GEODynamics, Nathan Clark, as a co-inventor. The title of the '563 Patent is: "Oil Well Perforators." Without making the same investment in research or development, Defendant DynaEnergetics, the U.S. sister corporation of a German explosives company, on information and belief, has sold in the United States its "DPEX® reactive liner technology" shaped charges for use in perforating wellbores. On information and belief, such DPEX shaped charges have either been manufactured at the DynaEnergetics facility in Blum, Texas and/or manufactured by DynaEnergetics' sister company in Germany. Such DPEX shaped charges, perforation guns, and methods of use related thereto infringe one or more of the claims of the '563 Patent. On information and belief, DynaEnergetics knew of the '563 Patent and its infringing activities for at least several years and was aware of the CONNEX product and that QinetiQ had performed research and development with GEODynamics in this regard as early as 2007. Plaintiff has therefore been forced to bring the instant lawsuit to protect its industry-leading patented technology.

Parties

2. Plaintiff GEODynamics is a corporation organized and existing under the laws of the State of Delaware, with a principal office located at 10500 West Interstate 20, Millsap, Parker County, Texas, 76066.

3. Defendant DynaEnergetics US, Inc. ("DynaEnergetics") is a corporation

organized under the laws of the State of Colorado, with an office located at 1008 Ranch Rd. 620 S, Suite 204, Lakeway, TX 78734 and maintains a registered agent for service of process at National Registered Agents, Inc., 1999 Bryan St., Suite 900, Dallas, TX 75201.

Jurisdiction and Venue

4. Subject matter jurisdiction is proper in this Court under 28 U.S.C. §§ 1331 and 1338(a) as this is a claim for infringement of a U.S. patent pursuant to 35 U.S.C. § 1 et seq., including 35 U.S.C. § 271.

5. Defendant DynaEnergetics is subject to personal jurisdiction within Texas and this judicial district, as on information and belief it sells or offers to sell DPEX. Defendant DynaEnergetics has distribution facilities for its “DPEX® reactive liner technology” shaped charges located throughout Texas, including the former Austin Explosives location at 4843 Tidwell Dr., Tyler, TX 75708 which states in its listing at the following link that it is “the exclusive U.S. distributor for DynaEnergetics, AECO provides quality German-engineered and manufactured products that set the standard for excellence in oilfield explosives”:
<http://www.yellowpages.com/tyler-tx/mip/austin-explosives-13984657>. Venue as to Defendant is thus proper pursuant to 28 U.S.C. §§1391(b) and (c), and 1400(b).

Count 1: Infringement of ‘563 Patent

6. The ‘563 Patent, a copy of which is attached as Ex. A, is titled “OIL WELL PERFORATORS” and was duly and legally issued by the U.S. Patent and Trademark Office on October 1, 2013 to QinetiQ Ltd. as the assignee. Plaintiff is currently the assignee of the ‘563 Patent, including standing to sue and the right to recover all past, present, and future damages for infringement of the ‘563 Patent.

7. Defendant DynaEnergetics is infringing at least claim 1 of the ‘563 Patent by offering to sell and/or selling in the United States its “DPEX® reactive liner technology” shaped charges.

8. Claim 1 of the ‘563 Patent claims the following composition of matter:

A reactive oil and gas well shaped charge perforator liner comprising a reactive composition comprising at least two metals that are capable of an exothermic reaction, wherein the liner further comprises at least one further metal, which is not capable of an exothermic reaction with the at least two metals and said further metal is present in an amount greater than 40% W/W of the liner.

Defendant’s DPEX shaped charge product includes a liner which satisfies these limitations.

Defendant also sells perforation guns in the United States which infringe claim 20 by containing shaped charges with the liner of claim 1. Further, Defendant, with specific intent, induces its customers such as oil field service companies that perform perforating services in the United States to directly infringe at least method claims 22, 23 and 24 regarding well completion activities through use of shaped charges with the liner of claim 1. Such also constitutes contributory infringement by Defendant as such perforation charge liners and associated perforation guns have no substantial non-infringing use.

9. Defendant’s continuing acts of infringement have caused and will continue to cause damage to Plaintiff, and Plaintiff is entitled to recover from Defendant the damages sustained as a result of Defendant’s wrongful acts in an amount subject to proof at trial, including lost profits, but in no event less than a reasonable royalty.

10. Due to Defendant’s continuing acts of willful infringement, Plaintiff is entitled to recover up to treble damages pursuant to 35 U.S.C. § 284, and an award of attorney fees pursuant to 35 U.S.C. § 285.

Demand for Jury Trial

Plaintiff demands a jury trial on all issues so triable.

Prayer

Plaintiff GEODynamics prays that, after trial, this Court enter judgment against Defendant as follows:

- (a) An entry of final judgment in favor of Plaintiff and against Defendant;
- (b) An award of damages adequate to compensate Plaintiff for the infringement of the '563 Patent that has occurred, but in no event less than a reasonable royalty as permitted by 35 U.S.C. § 284, together with prejudgment interest from the date the infringement began;
- (c) An injunction permanently prohibiting Defendant and all persons in active concert or participation with any of them from further acts of infringement of the '563 Patent;
- (d) Treble damages as provided for under 35 U.S.C § 284 in view of the knowing, willful, and intentional nature of Defendant's acts;
- (e) Awarding Plaintiff its costs and expenses of this litigation, including reasonable attorneys' fees and disbursements, pursuant to 35 U.S.C. § 285 on the basis that this case is exceptional due to the conduct of Defendant; and
- (f) Plaintiff have such other and further relief as the Court deems just and proper.

Dated: July 1, 2016

Respectfully submitted,

s/ Theodore G. Baroody

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